

CASE

NUMBER:

99-332

INDEX FOR CASE: 99-332
CAWOOD WATER DISTRICT
Rates - NRC

AS OF : 10/29/99

IN THE MATTER OF THE NON-RECURRING CHARGE OF CAWOOD WATER
DISTRICT

| SEQ NBR | ENTRY DATE | REMARKS |
|------------|---------------|---|
| 0001 | 08/03/99 | Application. |
| 0002 | 08/09/99 | Acknowledgement letter. |
| 0003 | 08/19/99 | Filing deficiencies letter, response due 9/3. |
| 0004 | 08/19/99 | Order granting request to deviate from 807 KAR 5:011, Section 8 and 10(1)(e). |
| M0001 | 08/27/99 | LANA PACE CAWOOD WD-NOTICE SENT TO AG CONCERNING FILING DEF |
| 0005 | 09/10/99 | Deficiencies cured letter |
| 0006 | 10/29/99 | Final Order approving charges in Appendix A. |



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-332
CAWOOD WATER DISTRICT

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on October 29, 1999.

Parties of Record:

Walter Burkhardt
Chairman
Cawood Water District
54 Plant Road
P. O. Box 429
Cawood, KY. 40815

Stephanie Bell

Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CAWOOD)
WATER DISTRICT FOR AN INCREASE) CASE NO. 99-332
ITS METER CONNECTION EXPENSE)

O R D E R

On August 3, 1999, Cawood Water District ("Cawood") applied to the Commission for authority to revise its 5/8" x 3/4" meter connection charge. Cawood requested permission to deviate from the filing requirements of Administrative Regulation 807 KAR 5:011, Section 8, and Section 10 (1)(b), (1)(c), (1)(d), (1)(e) and (2).

On August 19, 1999, the Commission issued an Order granting Cawood's request to deviate from the requirements of 807 KAR 5:011, Section 8, and Section 10(1)(e). Cawood was notified by letter dated August 19, 1999 of filing deficiencies in its application, and that the statutory time period in which the Commission must process the case would not commence until the required information was filed. Cawood updated its application on August 24, 1999, curing the deficiencies and the case was considered filed on August 27, 1999.

The proposed revision to Cawood's 5/8" x 3/4" meter connection charge increased the amount from \$300.00 to \$550.00. Cawood provided adequate cost justification for the non-recurring charge proposed in the application. Increased costs of materials and labor was the basis for the increase.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The proposed charges are equal to the expenses incurred to provide the associated services.

2. The charges set forth in Appendix A of this Order, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

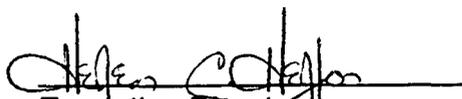
1. The charges in Appendix A are approved for services rendered on and after the date of this Order.

2. Within 30 days of the date of this order, Cawood shall file its revised tariff sheet setting out the charges approved in this Order.

Done at Frankfort, Kentucky, this 29th day of October, 1999.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-332 DATED OCTOBER 29, 1999

The following rates and charges are prescribed for the customers in the area served by Cawood Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

NON- RECURRING CHARGES

5 / 8" x 3 / 4" Meter Connection

\$550.00

August 24, 1999

CAWOOD WATER DISTRICT
P. O. Box 429
Cawood, KY 40815

RECEIVED
AUG 27 1999
PUBLIC SERVICE
COMMISSION

Stephanie Bell
Public Service Commission
730 Schenkel Lane
P. O. Box 615
Frankfort, KY 40602

RE: Case NO. 99-332
Filing Deficiencies

Dear Ms. Bell:

Enclosed is a copy of the notice sent by us today to the Attorney General. If there are any further actions needed by us please let us know.

Sincerely,


Lana Pace, Secy. To Board
CAWOOD WATER DISTRICT

August 24, 1999

Cawood Water District
P. O. Box 429
Cawood, KY 40815

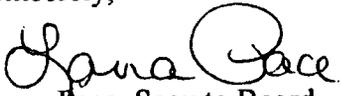
RECEIVED
AUG 27 1999
PUBLIC SERVICE
COMMISSION

Public Service Litigation Branch
Office of the Attorney General
P. O. Box 2000
Frankfort, KY 40602-2000

Dear Sir:

Enclosed for your review is a copy of our filing Case NO.99-332 along with copies of our last 3 annual reports.

Sincerely,


Lana Face, Secy to Board
CAWOOD WATER DISTRICT



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

September 10, 1999

Walter Burkhardt
Chairman
Cawood Water District
54 Plant Road
P. O. Box 429
Cawood, KY. 40815

RE: Case No. 99-332
CAWOOD WATER DISTRICT

The Commission staff has reviewed your response of August 27, 1999 and has determined that your application in the above case now meets the minimum filing requirements set by our regulations. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further information, please contact my staff at 502/564-3940.

Sincerely,

Stephanie D. Bell
Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

CAWOOD WATER DISTRICT
P.O. Box 429
CAWOOD, KENTUCKY 40815
PHONE (606) 573-3744

August 2, 1999

RECEIVED

AUG 3 1999

**PUBLIC SERVICE
COMMISSION**

Ms. Helen Helton
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

FILED

AUG 27 1999

**PUBLIC SERVICE
COMMISSION**

RE: Amended Tariff for Tap Fee

Dear Ms. Helton:

CASE 99-332

Due to increases in the costs of the materials, equipment, and labor required to install new taps (meter settings) the Cawood Water District is requesting approval of the attached amended tariff. The amended tariff will change the connection charge (tap fee) for a 5/8" x 3/4" meter setting from \$300.00 to \$550.00. The connection charge for all other size meters will be changed from \$300.00 to the actual cost of the materials, equipment, and labor including overhead required to install the meter. The District has not changed its connection charges since its original system installation in 1989.

The District is also requesting a deviation pursuant to 807 KAR 5:011 Section 14 from the requirements in 407 KAR 5:011 Section 10 (1)(b), (1)(c), (1)(d), (1)(e) and (2) on the grounds that the connection charges (tap fees) are revenue neutral, nonrecurring charges. The requested tap fee will allow the District to "break even" on installing new water services and will keep the District from losing money. The Public Notice, Income Statement and other information required by Section 10 should not be required in this case because the proposed increase will allow the District to recover the actual cost of a new meter setting.

Four (4) copies of the amended tariff and the Cost Justification are attached for your use. If you have any questions or need additional information, please contact us.

Sincerely,

Walter Burkhart
Walter Burkhart
Chairman

FILED

AUG 27 1999

**PUBLIC SERVICE
COMMISSION**

Attachments



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

August 19, 1999

Mr. Walter Burkhardt, Chairman
Cawood Water District
54 Plant Road
P. O. Box 429
Cawood, Kentucky 40815

Re: Case No. 99-332
Filing Deficiencies

Dear Mr. Burkhardt:

The Commission staff has reviewed your application in the above case. This filing is rejected pursuant to 807 KAR 5:001, Section 2, for the reasons set forth below. These items are either required to be filed with the application or to be referenced in the application if they are already on file in another case or will be filed at a later date.

Filing deficiency pursuant to 807 KAR 5:011, Section 10(1)(b):

Statement by utility confirming that copy of filing was simultaneously sent to the Attorney General (Attorney General has 10 days to notify PSC if he requests a hearing.)

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. You are requested to file five copies of this information (unless otherwise noted) within 15 days of this letter. If you need further information, please contact Richard Raff of my staff at 502-564-3940, extension 260.

Sincerely,

Stephanie Bell
Secretary of the Commission

hv





COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

August 19, 1999

Walter Burkhardt
Chairman
Cawood Water District
54 Plant Road
P. O. Box 429
Cawood, KY. 40815

RE: Case No. 99-332

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CAWOOD WATER)
DISTRICT TO ADJUST CERTAIN) CASE NO. 99-332
NON-RECURRING CHARGES)

O R D E R

On August 3, 1999, Cawood Water District ("Cawood") applied to the Commission for authority to adjust its non-recurring connection charges. In its filing, Cawood requested permission to deviate from the requirements of Administrative Regulation 807 KAR 5:011, Section 8 and Section 10(1)(e).

Administrative Regulation 807 KAR 5:011, Section 8, requires that a copy of the public notice be included in the filing. Section 10(1)(e) requires the submission of an income statement and balance sheet for a recent 12-month period.

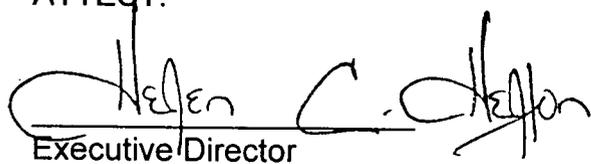
Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that no existing customers will be affected by the proposed rate change since connection charges are imposed only once, when service is first initiated to a new location. The information filed by Cawood is sufficient to enable the Commission to review adequately Cawood's filing. Therefore, its request to deviate from the above-cited regulations should be granted.

IT IS THEREFORE ORDERED that Cawood's request to deviate from the requirements of 807 KAR 5:011, Section 8 and 10(1)(e), is granted.

Done at Frankfort, Kentucky, this 19th day of August, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

August 9, 1999

Walter Burkhardt
Chairman
Cawood Water District
54 Plant Road
P. O. Box 429
Cawood, KY. 40815

RE: Case No. 99-332
CAWOOD WATER DISTRICT
(Rates - NRC)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received August 3, 1999 and has been assigned Case No. 99-332. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/jc

CAWOOD WATER DISTRICT

P.O. Box 429

CAWOOD, KENTUCKY 40815

PHONE (606) 573-3744

August 2, 1999

RECEIVED

AUG 3 1999

PUBLIC SERVICE
COMMISSION

Ms. Helen Helton
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

FILED
AUG 27 1999
PUBLIC SERVICE
COMMISSION

RE: Amended Tariff for Tap Fee

Dear Ms. Helton:

CASE 99-332

Due to increases in the costs of the materials, equipment, and labor required to install new taps (meter settings) the Cawood Water District is requesting approval of the attached amended tariff. The amended tariff will change the connection charge (tap fee) for a 5/8" x 3/4" meter setting from \$300.00 to \$550.00. The connection charge for all other size meters will be changed from \$300.00 to the actual cost of the materials, equipment, and labor including overhead required to install the meter. The District has not changed its connection charges since its original system installation in 1989.

The District is also requesting a deviation pursuant to 807 KAR 5:011 Section 14 from the requirements in 407 KAR 5:011 Section 10 (1)(b), (1)(c), (1)(d), (1)(e) and (2) on the grounds that the connection charges (tap fees) are revenue neutral, nonrecurring charges. The requested tap fee will allow the District to "break even" on installing new water services and will keep the District from losing money. The Public Notice, Income Statement and other information required by Section 10 should not be required in this case because the proposed increase will allow the District to recover the actual cost of a new meter setting.

Four (4) copies of the amended tariff and the Cost Justification are attached for your use. If you have any questions or need additional information, please contact us.

Sincerely,


Walter Burkhardt
Chairman

FILED

AUG 27 1999

PUBLIC SERVICE
COMMISSION

Attachments

Form for filing Rate Schedules

For Cawood Water District - Harlan Co.
Community, Town or City

P.S.C. NO. _____

SHEET NO. 1

Cawood Water District
Name of Issuing Corporation

CANCELLING P.S.C. NO. 89-289 (Original)

and 95-297 SHEET NO. 1

CLASSIFICATION OF SERVICE

| | RATE PER UNIT | | | | | | | | |
|---|---|---|-----------------------------|--------------------------------|--------------------|---------------------------|-------------------------|---------------------------|--|
| A. <u>Minimum Water Rate</u> - The minimum water bill shall be \$13.50 per month, and each water customer shall be entitled to 2,000 gallons (or less) of water in each month for such minimum charge. | | | | | | | | | |
| B. <u>Meter Rates for Water Usage in Addition to Minimum Charge.</u> Subject to the minimum monthly rate specified above, the following metered charges shall be made for each 1,000 gallons of water consumption per month to customers of all size connections: | | | | | | | | | |
| <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Number of Gallons of Water Per Month</u></th> <th style="text-align: left;"><u>Monthly Charge Per 1,000 Gallons</u></th> </tr> </thead> <tbody> <tr> <td>First 2,000 gallons or less</td> <td>\$13.50 (minimum monthly bill)</td> </tr> <tr> <td>Next 8,000 gallons</td> <td>\$ 5.25 per 1,000 gallons</td> </tr> <tr> <td>All over 10,000 gallons</td> <td>\$ 4.75 per 1,000 gallons</td> </tr> </tbody> </table> | <u>Number of Gallons of Water Per Month</u> | <u>Monthly Charge Per 1,000 Gallons</u> | First 2,000 gallons or less | \$13.50 (minimum monthly bill) | Next 8,000 gallons | \$ 5.25 per 1,000 gallons | All over 10,000 gallons | \$ 4.75 per 1,000 gallons | |
| <u>Number of Gallons of Water Per Month</u> | <u>Monthly Charge Per 1,000 Gallons</u> | | | | | | | | |
| First 2,000 gallons or less | \$13.50 (minimum monthly bill) | | | | | | | | |
| Next 8,000 gallons | \$ 5.25 per 1,000 gallons | | | | | | | | |
| All over 10,000 gallons | \$ 4.75 per 1,000 gallons | | | | | | | | |
| C. <u>Connection Charges.</u> | | | | | | | | | |
| 5/8" x 3/4" meter | \$550.00 | | | | | | | | |
| All larger meters | Actual cost of installation | | | | | | | | |

DATE OF ISSUE x 7/2/99
ISSUED BY Walter Burkhardt *Walter Burkhardt*
Name of Officer

DATE EFFECTIVE _____
TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____ dated _____.

AVERAGE METER CONNECTION EXPENSE COST JUSTIFICATION

Name of Utility Cawood Water District

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch 3/4-Inch 1-Inch 1 1/2-Inch 2-Inch

Other (specify) _____

B. Materials Expense

| | | <u>Quantity</u> | <u>Unit Cost</u> | <u>Total Cost</u> |
|----|--------------------------------|-----------------|------------------|------------------------|
| 1. | Water Meter | <u>1</u> | <u>\$ 31.50</u> | <u>\$ 31.50</u> |
| 2. | Meter Yoke | <u>1</u> | <u>66.50</u> | <u>66.50</u> |
| 3. | Corporation Stop | <u>1</u> | <u>15.70</u> | <u>15.70</u> |
| 4. | Meter Box and Top | <u>1</u> | <u>25.30</u> | <u>25.30</u> |
| 5. | Miscellaneous Fittings | <u>1</u> | <u>25.80</u> | <u>25.80</u> |
| 6. | Other (Itemize) Ind.-PRV | <u>1</u> | <u>28.00</u> | <u>28.00</u> |
| | Total Materials Expense | | | <u>\$192.80</u> |
| | (add total cost) | | | |

C. Service Pipe Expense

Type of Service Pipe PE Size of Service Pipe 3/4

| | <u>Quantity</u> | <u>Unit Cost</u> | <u>Total Cost</u> |
|---|-----------------|------------------|-------------------|
| 1. Short Side Service | <u>10</u> | <u>\$ 0.18</u> | <u>\$ 1.80</u> |
| 2. Long Side Service | <u>70</u> | <u>0.18</u> | <u>12.60</u> |
| Average Cost (Add total cost and divide by 2) | | | <u>\$ 7.20</u> |

D. Installation Expense

Labor

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|---|--------------------|--------------------|-------------------|
| 1. Short Side Service | <u>8</u> | <u>\$ 7.50</u> | <u>\$ 60.00</u> |
| 2. Long Side Service | <u>12</u> | <u>7.50</u> | <u>90.00</u> |
| Average Cost (Add total cost and divide by 2) | | | <u>\$ 75.00</u> |

Equipment

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|---|--------------------|--------------------|-------------------|
| 1. Short Side Service | <u>4</u> | <u>\$ 30.00</u> | <u>\$ 120.00</u> |
| 2. Long Side Service | <u>6</u> | <u>50.00</u> | <u>300.00</u> |
| Average Cost (Add total cost and divide by 2) | | | <u>\$ 210.00</u> |

Installation Expense continued

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|--|------------------------|------------------------|-----------------------|
| 1. Inspection | _____ | \$ _____ | \$ _____ |
| 2. Site Clean-up | <u>2.0</u> | <u>7.50</u> | <u>15.00</u> |
| 3. Other (Itemize) | _____ | _____ | _____ |
| Total Miscellaneous (add total cost) | | | <u>\$15.00</u> |

E. Overhead Expense

| | |
|--|-----------------|
| 1. Installation expense (<u>\$ 500.00</u>) times overhead rate (<u>10</u> %) | <u>\$ 50.00</u> |
|--|-----------------|

F. Administrative Expense

| | |
|---|----------------|
| 1. Office expense for establishing a new account and billing record. | <u>\$ 0.00</u> |
|---|----------------|

G. Total Expense

1. Total of all items:

| | |
|---------------------------------|-------------------------|
| Materials Expense | <u>\$192.80</u> |
| Service Pipe Expense | <u>7.20</u> |
| Installation Labor Expense | <u>75.00</u> |
| Installation Equipment Expense | <u>210.00</u> |
| Equipment Expense | <u>-</u> |
| Miscellaneous Expense | <u>15.00</u> |
| Overhead Expense | <u>50.00</u> |
| Administrative Expense | <u>-</u> |
| Total Connection Expense | <u>\$ 550.00</u> |